future trend* of Water Resources Development in the Peninsular region.

(c) and (d) Studies regarding water availability and demands in the various river basins including west flowing rivers' in Keraia, which will lead to conclusions about quantum of surplus water available for transfer to deficit areas are expected to be completed in the 8th Plan.

Restoration of concessions to powerlooms

859. SHRI PRAMOD MAHAJAN: Will the Minister of TEXTILES be pleased to state:

(a) whether Maharash!ra Government have requested the Government of India to order to fresh look at the new textile policy and restore the concessions to powerlooms; and

(b) if so, what are the details thereof and action taken by the Central Government thereon?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) and (b) The Government of Maharashtra have suggested that the differential concessions in excise duty, which the powerloom sector enjoyed prior to the Budget of 1985-86, should be restored and powerlooms in decentralised sector should not be treated on par with powerlooms in the mill sector.

This matter has been considered and it is felt that the healthy development of powerloom sector should take place in the context of parity between powerlooms in organised mill sector and in unorganised powerloom sector.

Problems of Handloom Sector in Maharashtra

960. SHRI PRAMOD MAHAJAN: Will the Minister of TEXTILES be pleased to state:

(a) whether Maharashtra Government have written to the Government of India about the problems of the handloom sector in Maharashtra; and

(b) if so, what are the details thereof and the response of the Government of India thereto?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA); (a) and (b) Government of Maharashtra have written to the Government of India suggesting that the rate of subsidy on the production of Janata Cloth should be increased from Rs. 2 per square metre to Rs. 3 per square metre A proposal for increasing the rate of Janata subsidy is under consideration of Central Government.

Crisis in Powerloom Industry of Maharashtra

861. SHRI JAGESH DESAI: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that nearly 50 per cent powerlooms in the coun try are located in Maharashtra;

(b) whether or. account of withdrawals of concessions and treatment of powerlooms on a par with composite mills coupled with a hike in the price of yarn powerlooms have been affected and more than 50 per cent of powerlooms in Maharashtra are facing closure; and

(c) if so, what steps the Central Government propose to take to help the powerlooms industry from closing down?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) Maharashtra accounts for roughly 35 per cent of the total number of powerlooms for which applications for registration have been filed.

(b) and (c) The levels of weaving activity in the decentralised power-

loom sector change from time to time depending upon the prices of yarn, off-take of cloth, availability or power and the economic decisions of powerloom owners. The profitability of weaving operations in recent months has been affected because of the rise in prices of cotton yarn and poor off-take of cloth due to erosion of purchasing in rural and urban areas. Because of the decentralised nature of the industry, it is not possible to give any precise estimate about the percentage of the powerlooms which may have stopped weaving activity. The available figures of yarn deliveries to the powerloom sector, for the country as a whole indicate that the production of cloth in the powerloom sector has been maintained during the first eight months of the current financial year.

The rise in prices of cotton yarn has been largely because of the rise in prices of cotton. Government have reviewed the situation for corrective action. Government have suspended exports of staple cotton since July, 1987. To ensure that exports of cotton yarn do not affect the domestic availability of cotton and cotton yarn, import of cotton against export of cotton yarn, cotton fabrics and made-ups has been permitted on advance licensing basis. Government are maintaining a cloth watch on the situation.

Rise in the price of standard gold

862. SHRI RAOOF VALIULLAH: Will the Minister of FINANCE be pleased to state;

(a) whether Government are aware of steep rise in the price of standard gold in the country and what was its price in the beginning and end of 1987 and whether Government are monitoring the gradual shift in investment pattern;

(b) what was the demand for gold in 1987 and what was the domestic production and how was the demand met;

(c) what is the reason for the increase in the arrival of scrap gold in the country last year in spite of Govt's claim of stricter vigilance in this regard.

(d) what was the quantity of gold fabrication in 1987 for various uses and percentage increase over the previous year; and

(e) whether Government propose to import gold to check the spiralling prices of gold and to meet industrial needs?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT PANJA): (a) Yes, Sir.

The price °f standard gold on 2nd January, 1987 was Rs. 2400/- and on 31st December, 1987 was Rs. 3510/-pe'r 10 gms. in the Bombay market. Government in the recent past has introduced a number of schemes to encourage financial savings.

(b) Government has not made an estimate of the total demand for gold. The domestic production of gold during 1987 was 1864 Kgs.

(c) Govt have no information in regard to scrap gold arrivals.

(d) Fabrication of gold into ornaments is done by gold dealers and gold-smiths. Gold dealers are required to submit quarterly returns of their transactions of gold but no re-turns are prescribed for goldsmiths, hence the quantity of gold fabricated in 1987 cannot be stated.

(e) The Policy on gold is under examination by a Committee set up by the Government with Dr. Rangarajan, Deputy Governor of Reserve Bank of India as its chairman. The repoit of the Cemmittee is awaited.

The domestic production of gold is sufficient to meet the industrial needs.